

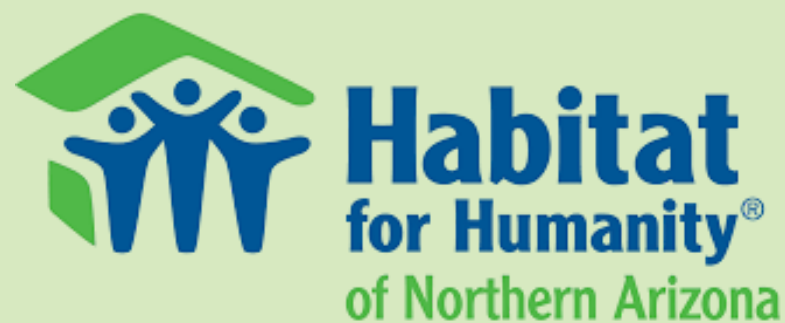


# 5-YEAR DEVELOPMENT SHOWCASE

An overview of affordable housing developments supported by the City of Flagstaff and its partners in the last five years.



# Partnerships - To Name a Few



# Incentive Policy for Affordable Housing (IPAH)

Adopted: 2009

Amended: 2025

The IPAH policy is one of the City's main tools to encourage the development of affordable housing. It provides financial and regulatory support to make projects more feasible.

Two main types of incentives:

1. **Fee Incentives** – Payment or reduction of development-related fees.
2. **Zoning Incentives** – Flexibility in the Flagstaff Zoning Code, such as density bonuses or reduced parking requirements.

INCENTIVE POLICY FOR AFFORDABLE HOUSING



PREPARED BY:  
CITY OF FLAGSTAFF'S HOUSING SECTION  
COMMUNITY DEVELOPMENT DIVISION  
AMENDED MAY 2025

211 West Aspen Ave. • telephone: 928.779.7650 ext.7231 • fax: 928.779.7684 • [www.flagstaff.az.gov](http://www.flagstaff.az.gov)

# Incentive Policy for Affordable Housing (IPAH)

## In-lieu of Attainable Housing Contribution

- Allows developers to contribute funds instead of constructing affordable units. These funds are used to support future affordable housing efforts.

Pinehaven –  
Red Oak Development Group



\$1.8 million contribution

Canyon Del Rio –  
Capstone Homes



\$600,000 contribution

Elara at the Sawmill –  
McGrath Real Estate Partners

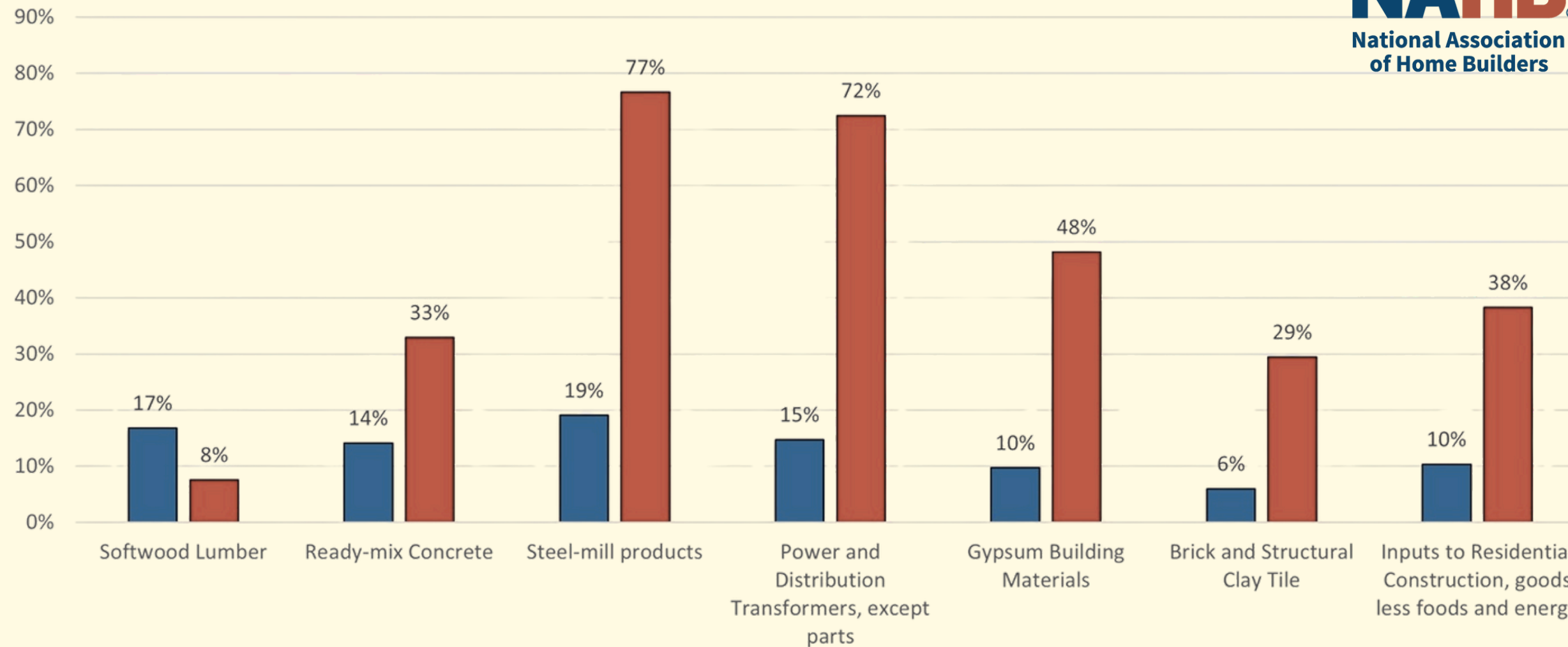


\$500,000 contribution

# Why Incentives Have Become Necessary

Rising material costs + supply chain delays + construction labor shortages + higher, unpredictable project budgets = increasing difficulty producing affordable units

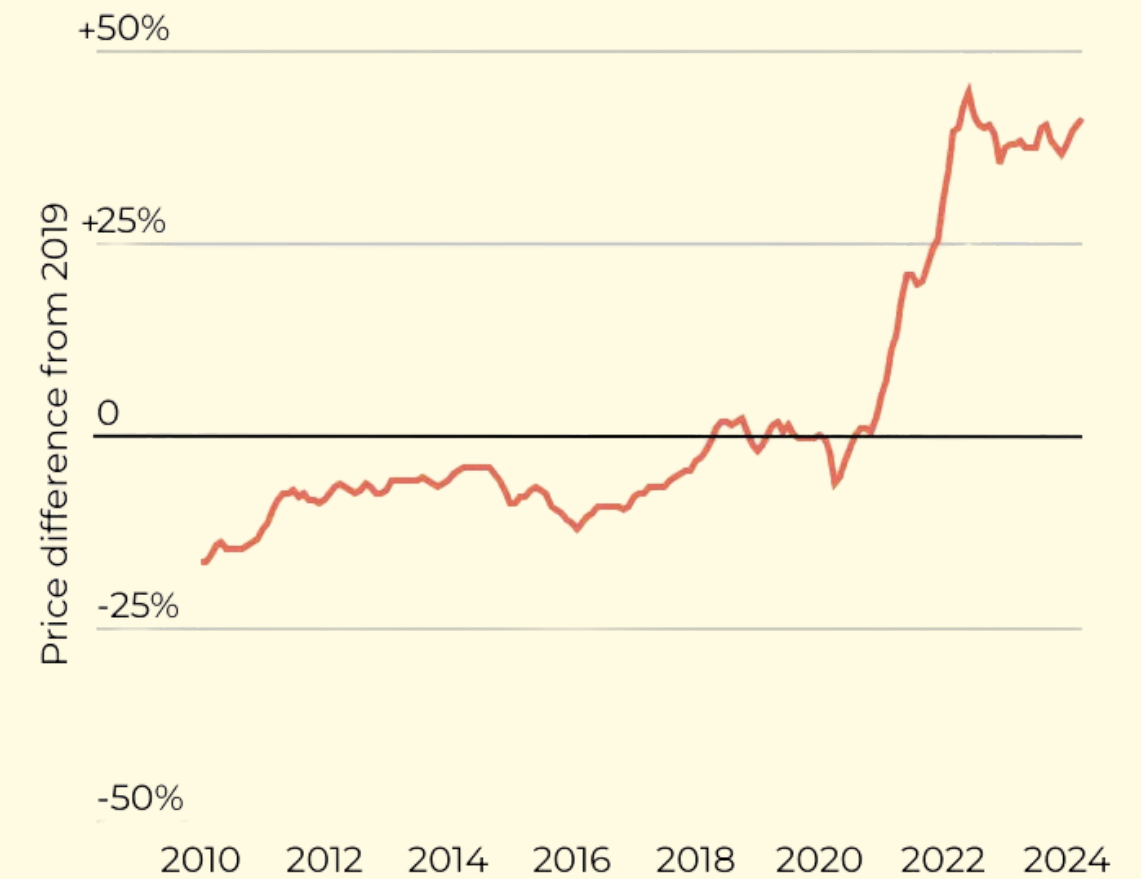
Costs of Building Materials Have Surged Since the Pandemic  
Four-year Price Percentage Change



Source: U.S. Bureau of Labor Statistics; Producer Price Index

■ Feb 2016-2020 ■ Feb 2020 - 2024

All building supplies



● PPI: Net inputs to construction industries (goods)

# Crestview

First Unit Sold: 2020

Project Type: Single-family ownership

Affordable Units: 12 out of 119 (10% contribution)

Income Limit: 100% AMI

Zoning Code Incentives Used:

- Reduced setbacks
- Height increase
- Expedited review
- Resource Protection Overlay (RPO) reduction





# Elara at the Sawmill

Opened: 2022

Project Type: Multifamily Rentals

Affordable Units: 34 out of 333 (10% contribution)

Income Limit: 80% AMI

Additional Contributions from Developer:  
\$500,000 and new beds for Flagstaff Shelter  
Services' emergency shelter on Huntington Dr.



# Miramonte at Ponderosa Parkway

First Unit Sold: 2022

Project Type: Ownership condos and affordable rentals

Affordable Units: 17 out of 169 (10% contribution)

Income Limit: 100% AMI ownership, 80% AMI rental

Zoning Code Incentives Used:

- Sustainable building density bonus





# Starpoint (LIHTC)

Opened: 2022

Project Type: Multifamily rentals

Affordable Units: 68 out of 77 (88% contribution)

Income Limit: 60% AMI

Zoning Code Incentives Used:

- Parking reduction
- Landscape reduction



# Woodshire

First Unit Sold: 2023

Project Type: Ownership condos

Affordable Units: 5 out of 50 (10% contribution)

Income Limit: 125% AMI

The developer purchased City-owned property in exchange for affordable ownership units





# Aura Flagstaff

Opened: 2024

Project Type: Multifamily rentals

Affordable Units: 32 out of 160  
(20% contribution)

Income Limit: 70% AMI & 80% AMI

Zoning Code Incentives Used:

- Density bonus
- Parking reduction
- Sustainable building density bonus
- RPO reduction





# Villas on Lake Mary (LIHTC)

Opened: 2024

Project Type: Multifamily rentals

Affordable Units: 76 out of 76 (100% contribution)

Income Limit: 60% AMI

Financial Support:

\$325,000 in IPAH Funds & \$397,000 in ARPA Funds

Zoning Code Incentives Used:

- Density bonus
- Parking reduction
- Landscape reduction



# Habitat for Humanity - Starter Homes on O'leary

Opened: 2023

Project Type: Starter homes

Affordable Units: 2 out of 2  
(100% contribution)

Income Limit: 80% AMI

Financial Support: \$19,000 in IPAH funds





# Sierra on 66 (LIHTC)

Opened: 2025

Project Type: Multifamily rentals

Affordable Units: 221 out of 221  
(100% contribution)

Income Limit: 60% AMI

Financial Support: \$1.1 million in IPAH funds





# Habitat for Humanity - Starter Homes at Timber Sky

Opening: Late 2026 (10 currently finished)

Project Type: Starter homes

Affordable Units: 40 out of 40 (100% contribution)

Income Limit: 80% AMI

Financial Support: \$700,000 in IPAH funding and  
\$340,000 in ARPA funding

Zoning Code Incentives: Parking reduction



# Elkwood

Opening: Early 2026

Project Type: Mixed-use rentals

Affordable Units: 22 out of 224 (10% contribution)

Income Limit: 70% AMI

Financial Support:

Housing Bond (Prop 442) - Rental Incentive Bond Program

- \$528,000 in a forgivable loan



# Housing Solutions of Northern Arizona - Izabel Apartments

Opening: 2026

Project Type: Multifamily rentals

Affordable Units: 11 out of 11 (100% contribution)

Income Limit: 80% AMI

Financial Support: \$300,000 in IPAH funds



# Approved Projects

Sky Cottages - Multifamily rentals, 20 Affordable units (10%)

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San Francisco Square Apartments (LIHTC) - Multifamily rentals,  
70 Affordable units (100%)

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Miramonte at Presidio - Ownership Condos, 4 Affordable units (10%)

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Lofts at Continental - Multifamily rentals, 14 Affordable units (10%)

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Lofts on Butler - Multifamily rentals, 9 Affordable units (5%)

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Housing on Lake Mary - Multifamily rentals, 40 Affordable units (20%)

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Towns on Lone Tree - Multifamily Rentals, 25 Affordable units (12%)

Thank You!  
Questions?